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SUBJECT: Ukraine: Plans for BSEC Chairmanship

Ref: (A) Schutte-Ukraine Desk e-mail, April 13, 2007

(B) 2006 Kyiv 03490

¶1. Summary: Ukraine envisions an ambitious agenda for its chairmanship of the Black Sea Economic Cooperation Organization (BSEC) from November 2007 to April 2008, according to MFA Director for Economic Cooperation, Serhiy Korsunsky. During a recent meeting with Econoff, he solicited U.S. involvement in setting and participating in this agenda. He mentioned in particular his hope that the U.S. would take part in a regional bankers' forum that Ukreximbank was organizing. He thought that the Ukrainian delegation to the upcoming World Bank and IMF meetings would be raising the idea on the margins of the meetings. End Summary.

¶2. Korsunsky passed us a detailed five-page draft agenda for Ukraine's tenure as chairman (ref A), which, he said was meant to be "innovative, not business as usual." For example, he said, it included a regional meeting of University rectors and another of business leaders in order to encourage cross-border links outside the government sphere. He said Ukraine would welcome any U.S. suggestions for activities or initiatives to place on the agenda. He said he hoped the U.S. will play an active role in BSEC events in its role as an observer.

¶3. Ukraine was also inviting Japan to participate as an observer in BSEC, he said. This had been discussed in a meeting at which the Japanese introduced their recently launched concept of an "Arc of Economic Prosperity and Democracy" stretching from Japan to the Baltics, explicitly included GUAM, while passing south of Russia and China.

¶4. Korsunsky said that he was particularly hopeful that the U.S. would help with an as yet unscheduled meeting of regional bankers that state-owned Ukreximbank would be putting together. Ukraine was seeking U.S. advice on whom to invite, the topics of the meeting, and any initiatives the U.S. felt it would be appropriate to launch in this context. He said he believed that members of the Ukraine delegation to the April 14-15 World Bank and IMF meetings in Washington may raise this idea on the margins.

¶5. Asked about the National Bank of Ukraine's proposal for GUAM to create its own development bank (ref B), Korsunsky responded that nothing had come of it. He pointed out that the BSEC draft agenda included a session on how to make use of the existing Black Sea Trade and Development Bank.

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